

**EFFINGHAM UNIFIED
SCHOOL DISTRICT NO. 377**
Effingham, Kansas

**REGULATORY BASIS
FINANCIAL STATEMENTS**
For the year ended June 30, 2014

And

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

...***KL***...

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UNIFIED SCHOOL DISTRICT NO. 377

Effingham, Kansas

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Education
Unified School District No. 377
Effingham, Kansas 66023

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 377, Effingham, Kansas ("Municipality") as of and for the year ended June 30, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the presentation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

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reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Unified School District No. 377, Effingham, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 377, Effingham, Kansas as of June 30, 2014, or changes in financial position and cash flows thereof for the year then ended.

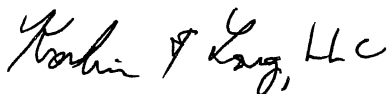
Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 377, Effingham, Kansas (“Municipality”) as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

In accordance with “Government Auditing Standards”, we have also issued our report dated October 1, 2014, on our consideration of the District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control of financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Audit Standards” and should be considered in assessing the results of our audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinion on the 2014 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2014 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 information has been subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.

A handwritten signature in black ink that reads "Karlin & Long, LLC". The signature is written in a cursive, flowing style.

Karlin & Long, LLC
Certified Public Accountants

Lenexa, KS
October 1, 2014

USD #377 EFFINGHAM, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Funds							
General	\$ 0	\$ 0	\$ 5,116,245	\$ 5,116,245	\$ 0	\$ 94,004	\$ 94,004
Supplemental General	119,682	0	1,684,628	1,695,094	109,216	180,965	290,181
Special Purpose Funds							
Vocational Education	51,107	0	122,632	121,211	52,528	2,450	54,978
Special Education	297,321	0	1,157,997	1,156,728	298,590		298,590
Driver Education	16,594	0	7,517	16,086	8,025	1,534	9,559
Food Service	142,416	0	439,137	443,140	138,413	9,609	148,022
Capital Outlay	992,232	0	288,862	426,578	854,516	270,865	1,125,381
Gifts and Grants	3,562	0	8,600	5,545	6,617	2,163	8,780
Professional Development	13,895	0	17,340	18,545	12,690	2,250	14,940
Virtual Education	0	0	4,000	4,000	0		0
KPERS Special Contribution	0	0	364,093	364,093	0		0
At Risk (K-12)	0	0	518,575	518,575	0	955	955
At Risk (4 year old)	0	0	23,028	23,028	0		0
District Activity Funds	30,239	0	89,225	89,849	29,615		29,615
Textbook Rental Fund	80,601	0	45,098	83,018	42,681	35,607	78,288
Contingency Reserve Fund	478,693	0	0	0	478,693		478,693
Title I	0	0	110,109	110,109	0	2,702	2,702
Small Rural School Achievement	0	0	26,303	26,303	0		0
A.J. Rice Memorial	0	0	81	81	0		0
Title IIA - Teacher Quality	0	0	29,125	29,125	0	160	160
Character Education Grant	2,652	0	0	6	2,646		2,646
Serve America School Based	531	0	0	0	531		531
Bond and Interest Funds							
Bond and Interest Fund	88,810	0	0	0	88,810		88,810
Total Reporting Entity	\$ 2,318,335	\$ 0	\$ 10,052,595	\$ 10,247,359	\$ 2,123,571	\$ 603,264	\$ 2,726,835
Composition of Cash							
Checking Accounts							\$ 1,357,984
Savings Accounts							-
Municipal Investment Pool							853,810
Certificates of Deposit							600,000
Total Cash							2,811,794
Agency Funds per Statement 4							84,959
Total Reporting Entity							\$ 2,726,835

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 377
Effingham, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

USD No. 377 is a municipal corporation governed by an elected seven member board. This financial statement presents USD No. 377 (the municipality) and its municipal entities. There are currently no organizations which meet the criteria for being combined in the District's report.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year 2014:

Governmental Funds

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – Used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long term debt) that are intended for specified purposes

Bond and Interest Fund – Used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Fiduciary Funds

Agency Funds – Funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, activity accounts, etc.).

UNIFIED SCHOOL DISTRICT NO. 377
Effingham, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Reimbursed Expenses

Expenditures in the amount of \$ 146,419 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

UNIFIED SCHOOL DISTRICT NO. 377
Effingham, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for the year 2014.

The statutes permit transferring budgeted amounts between accounts within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the district for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

UNIFIED SCHOOL DISTRICT NO. 377
Effingham, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

A legal operating budget is not required for capital projects funds and trust funds and the following special purpose funds:

Title IIA Fund	Textbook Rental Fund
Character Education Grant	Contingency Reserve Fund
District Activity Funds	A.J Rice Memorial Fund
Title I Fund	Serve America School Based

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 – Deposits and Investments

Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the district. The statute requires banks eligible to hold the district's funds have a main or branch bank in the county in which the district is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The district has no other policies that would further limit interest rate risk.

UNIFIED SCHOOL DISTRICT NO. 377
Effingham, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (continued)

Deposits (continued)

K.S.A. 12-1675 limits the district's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The district has no investment policy that would further limit its investment choices.

	Risk Category			Carrying Amount	Market Value
	1	2	3		
Investments	-0-	-0-	-0-	-0-	-0-
Kansas Municipal Investment Pool				<u>\$ 853,810</u>	<u>\$ 853,810</u>

Concentration of Credit Risk

State statutes place no limit on the amount the district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405. The Municipality's allocation of investments as of June 30, 2014

<u>Investments</u>	<u>Percentage of Investments</u>
Kansas Municipal Investment Pool	100%

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. State statutes require the district's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2014.

UNIFIED SCHOOL DISTRICT NO. 377
Effingham, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (continued)

Custodial Credit Risk – Deposits (continued)

At June 30, 2014, the government's carrying amount of deposits was \$ 1,957,984 and the bank balance was \$ 2,021,505. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$ 500,000 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions' agents in the district's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

As of June 30, 2014 the Municipality had invested \$853,810 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

NOTE 3 – Defined Benefit Pension Plan

Plan Description – USD No. 377 participates in the Kansas Public Employees Retirement System (KPERs), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

UNIFIED SCHOOL DISTRICT NO. 377
Effingham, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Defined Benefit Pension Plan (continued)

Funding Policy – K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depending on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414 (h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

NOTE 4 – Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the district carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

NOTE 5 – Stewardship, Compliance and Accountability

We noted no violations of Kansas Statutes during the period under examination.

NOTE 6 – Compensated Absences

Vacation leave is available to all 12 month employees of the district and accrues at the rate of 10 days per year. The district has sick leave available for all employees. Employees working in excess of 30 hours per week accrue 10 days of sick leave per year, can accumulate up to 60 days, and are paid annually for any excess over 50 hours. Employees working less than 30 hours per week accrue five days sick leave per year, can accumulate up to 30 days, and are paid annually for any excess over 25 hours. No payment is received by terminating employees with unused vacation or sick leave.

UNIFIED SCHOOL DISTRICT NO. 377
Effingham, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – Interfund Transactions

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 831,851
General Fund	Capital Outlay Fund	K.S.A. 72-6428	276,170
General Fund	At Risk (K-12) Fund	K.S.A. 72-6428	518,575
General Fund	At Risk (4 year old) Fund	K.S.A. 72-6428	23,028
General Fund	Virtual Education Fund	K.S.A. 72-6428	4,000
Supplemental General Fund	Professional Develop Fund	K.S.A. 72-6425	17,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6425	115,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6425	321,828
Supplemental General Fund	Food Service Fund	K.S.A. 72-6425	70,000

NOTE 8 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

The District offers an early retirement incentive program to teachers who have at least 20 years of teaching experience with USD 377. Retiring teachers shall receive a \$2,001 credit annually towards the District's group health insurance plan provided to all current employees. Early retirement benefits will terminate after five years in the program or upon the retiree reaching eligibility for Medicare, whichever comes first. During the year ended June 30, 2014, the cost to the District for the early retirement incentive program was \$4,002.

UNIFIED SCHOOL DISTRICT NO. 377
Effingham, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Contingency

The District receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the District's management, such disallowances, if any, will not be significant to the District's financial statements.

NOTE 10 – Subsequent Events

Subsequent events for management's review have been evaluated through October 1, 2014. The date in the prior sentence is the date the financial statements were available to be issued.

NOTE 11 – In Substance Receipt in Transit

The District received \$384,805 subsequent to June 30, 2014 and as required by K.S.A 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2014.

NOTE 12 – Operating Leases

In June 2014, the District entered into an operating lease agreement with Century United for a copy machine. Terms of the lease call for five annual payments of \$5,333.22.

In July 2014, the District entered into an operating lease agreement with Canon for seven copiers. Terms of the lease call for 60 monthly payments of \$ 887.

USD #377 EFFINGHAM, KS
Statement of Changes in Long-Term Debt
For the Year Ended June 30, 2014

Note 13 - Long Term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2014 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
None			\$ 0		\$ 0	0	0	0	0	\$ -
Capital Leases										
Bus Lease	3.28%	10/10/12	140,555	10/15/16	110,602		26,328	(26,328)	84,274	3,624
iPads	2.90%	3/27/13	219,748	3/27/15	144,395		71,166	(71,166)	73,229	4,187
Bus Lease	1.69%	6/24/13	278,208	7/31/17	278,208		57,523	(57,523)	220,685	-
Total Long Term Debt					<u>\$ 533,205</u>	<u>0</u>	<u>\$ 155,017</u>	<u>\$ (155,017)</u>	<u>\$ 378,188</u>	<u>\$ 7,811</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2015	2016	2017	2018	Total
Principal					
General Obligation Bonds	\$ 0	\$ 0	\$ 0	\$ 0	0
Special Assessment Bonds					0
Certificates of Participation					0
Capital Leases	154,213	82,785	84,629	56,560	378,187
Revenue Bonds					0
No-Fund Warrants					0
Temporary Notes					0
Total Principal	<u>154,213</u>	<u>82,785</u>	<u>84,629</u>	<u>56,560</u>	<u>378,187</u>
Interest					
General Obligation Bonds					0
Special Assessment Bonds					0
Certificates of Participation					0
Capital Leases	8,616	4,691	2,846	961	17,114
Revenue Bonds					0
No-Fund Warrants					0
Temporary Notes					0
Total Interest	<u>8,616</u>	<u>4,691</u>	<u>2,846</u>	<u>961</u>	<u>17,114</u>
Total Principal and Interest	<u>\$ 162,829</u>	<u>\$ 87,476</u>	<u>\$ 87,475</u>	<u>\$ 57,521</u>	<u>\$ 395,301</u>

Unified School District No. 377, Effingham, Kansas

Regulatory-Required

Supplementary Information

For the year ended June 30, 2014

USD #377 EFFINGHAM, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	\$ 5,073,068	\$ (103,242)	\$ 146,419	\$ 5,116,245	\$ 5,116,245	\$ 0
Supplemental General	1,674,272	(20,822)	0	1,695,094	1,695,094	0
Special Purpose Funds						
Vocational Education	135,000	0	0	135,000	121,211	(13,789)
Special Education	1,275,000	0	0	1,275,000	1,156,728	(118,272)
Driver Training	23,000	0	0	23,000	16,086	(6,914)
Food Service	532,000	0	0	532,000	443,140	(88,860)
Capital Outlay	995,000	0	0	995,000	426,578	(568,422)
Gifts and Grants	23,000	0	0	23,000	5,545	(17,455)
Professional Development	19,000	0	0	19,000	18,545	(455)
Summer School	14,000	0	0	14,000	4,000	(10,000)
KPERS Special Contribution	392,057	0	0	392,057	364,093	(27,964)
At-Risk Fund (K-12)	518,898	0	0	518,898	518,575	(323)
At-Risk Fund (4 year old)	34,542	0	0	34,542	23,028	(11,514)
Bond and Interest Funds						
Bond and Interest	88,810	0	0	88,810	0	(88,810)

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 808,179	\$ 773,134	\$ 35,045
Delinquent tax	6,628	4,031	2,597
Motor vehicle tax			0
RV tax			0
16/20 Trucks tax			0
Federal grants			0
State aid/grants	4,155,019	4,295,903	(140,884)
Charges for services			0
Interest income			0
Miscellaneous revenues	146,419		146,419
Operating transfers			0
Total Cash Receipts	<u>5,116,245</u>	<u>5,073,068</u>	<u>43,177</u>
EXPENDITURES			
Instruction	1,908,907	2,015,291	(106,384)
Student support services	114,599	115,700	(1,101)
Instruction support staff	109,165	119,780	(10,615)
General administration	195,213	203,134	(7,921)
School administration	416,985	421,170	(4,185)
Operations and maintenance	263,971	274,120	(10,149)
Student transportation services	322,255	338,180	(15,925)
Central support services			0
Other support services	130,911	115,875	15,036
Food service operations			0
Student activities	615		615
Facility acquisition and construction services			0
Debt service			0
Operating transfers	1,653,624	1,469,818	183,806
Adjustment to comply with legal max		(103,242)	103,242
Adjustment for qualifying budget credits		146,419	(146,419)
Total Expenditures	<u>5,116,245</u>	<u>\$ 5,116,245</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Ending	<u>\$ 0</u>		

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
 SUPPLEMENTAL GENERAL FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,015,773	\$ 947,051	\$ 68,722
Delinquent tax	11,309	5,112	6,197
Motor vehicle tax	138,924	155,800	(16,876)
RV tax	1,890	1,758	132
16/20 Trucks tax	28,112		28,112
Federal grants			0
State aid/grants	488,620	486,514	2,106
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>1,684,628</u>	<u>1,596,235</u>	<u>88,393</u>
EXPENDITURES			
Instruction	444,209	421,948	22,261
Student support services	787		787
Instruction support staff			0
General administration	16,299	12,000	4,299
School administration	4,754	3,800	954
Operations and maintenance	485,988	495,418	(9,430)
Student transportation services	219,229	248,750	(29,521)
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	523,828	534,000	(10,172)
Adjustment to comply with legal max		(20,822)	20,822
Adjustment for qualifying budget credits			0
Total Expenditures	<u>1,695,094</u>	<u>\$ 1,695,094</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(10,466)		
Unencumbered Cash, Beginning	119,682		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 109,216</u>		

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
VOCATIONAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	1,719		1,719
State aid/grants	5,913	16,100	(10,187)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	115,000	110,000	5,000
Total Cash Receipts	<u>122,632</u>	<u>126,100</u>	<u>(3,468)</u>
EXPENDITURES			
Instruction	114,966	120,650	(5,684)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services	6,245	14,350	(8,105)
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>121,211</u>	<u>\$ 135,000</u>	<u>\$ (13,789)</u>
Receipts Over (Under) Expenditures	1,421		
Unencumbered Cash, Beginning	51,107		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 52,528</u>		

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
SPECIAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services	4,318	15,000	(10,682)
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>1,153,679</u>	<u>1,222,378</u>	<u>(68,699)</u>
Total Cash Receipts	<u>1,157,997</u>	<u>1,237,378</u>	<u>(79,381)</u>
EXPENDITURES			
Instruction	1,112,339	1,204,200	(91,861)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services	44,389	70,800	(26,411)
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>1,156,728</u>	<u>\$ 1,275,000</u>	<u>\$ (118,272)</u>
Receipts Over (Under) Expenditures	1,269		
Unencumbered Cash, Beginning	297,321		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 298,590</u>		

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
 DRIVER TRAINING FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	2,805	4,370	(1,565)
Charges for services	4,712	5,200	(488)
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>7,517</u>	<u>9,570</u>	<u>(2,053)</u>
EXPENDITURES			
Instruction	6,079	7,000	(921)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	10,007	16,000	(5,993)
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>16,086</u>	<u>\$ 23,000</u>	<u>\$ (6,914)</u>
Receipts Over (Under) Expenditures	(8,569)		
Unencumbered Cash, Beginning	16,594		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 8,025</u>		

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
 FOOD SERVICE FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	221,105	205,289	15,816
State aid/grants	5,013	3,127	1,886
Charges for services	142,804	129,266	13,538
Interest income	215	100	115
Miscellaneous revenues		10,000	(10,000)
Operating transfers	70,000	90,000	(20,000)
Total Cash Receipts	439,137	437,782	1,355
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations	443,140	532,000	(88,860)
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	443,140	\$ 532,000	\$ (88,860)
Receipts Over (Under) Expenditures	(4,003)		
Unencumbered Cash, Beginning	142,416		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Ending	\$ 138,413		

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
 CAPITAL OUTLAY FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income	5,072	5,000	72
Miscellaneous revenues	7,620	88,810	(81,190)
Operating transfers	276,170		276,170
Total Cash Receipts	<u>288,862</u>	<u>93,810</u>	<u>195,052</u>
EXPENDITURES			
Instruction	46,556	200,000	(153,444)
Student support services		5,000	(5,000)
Instruction support staff		5,000	(5,000)
General administration		5,000	(5,000)
School administration		5,000	(5,000)
Operations and maintenance		50,000	(50,000)
Student transportation services	96,657	130,000	(33,343)
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services	283,365	595,000	(311,635)
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>426,578</u>	<u>\$ 995,000</u>	<u>\$ (568,422)</u>
Receipts Over (Under) Expenditures	(137,716)		
Unencumbered Cash, Beginning	992,232		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Ending	<u>\$ 854,516</u>		

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
 GIFTS AND GRANTS FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	8,600	19,438	(10,838)
Operating transfers			0
Total Cash Receipts	<u>8,600</u>	<u>19,438</u>	<u>(10,838)</u>
EXPENDITURES			
Instruction	5,545	23,000	(17,455)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>5,545</u>	<u>\$ 23,000</u>	<u>\$ (17,455)</u>
Receipts Over (Under) Expenditures	3,055		
Unencumbered Cash, Beginning	3,562		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 6,617</u>		

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
PROFESSIONAL DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	340		340
Operating transfers	<u>17,000</u>	<u>14,000</u>	<u>3,000</u>
 Total Cash Receipts	 <u>17,340</u>	 <u>14,000</u>	 <u>3,340</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff	18,545	19,000	(455)
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
 Total Expenditures	 <u>18,545</u>	 <u>\$ 19,000</u>	 <u>\$ (455)</u>
 Receipts Over (Under) Expenditures	 (1,205)		
Unencumbered Cash, Beginning	13,895		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 <u>\$ 12,690</u>		

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
 VIRTUAL EDUCATION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>4,000</u>	<u>14,000</u>	<u>(10,000)</u>
 Total Cash Receipts	 <u>4,000</u>	 <u>14,000</u>	 <u>(10,000)</u>
EXPENDITURES			
Instruction	4,000	14,000	(10,000)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Community support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
 Total Expenditures	 <u>4,000</u>	 <u>\$ 14,000</u>	 <u>\$ (10,000)</u>
 Receipts Over (Under) Expenditures	 0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 <u>\$ 0</u>		

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
 KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	364,093	392,057	(27,964)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>364,093</u>	<u>392,057</u>	<u>(27,964)</u>
EXPENDITURES			
Instruction	231,441	244,605	(13,164)
Student support services	7,941	10,428	(2,487)
Instruction support staff	8,232	9,527	(1,295)
General administration	12,920	14,036	(1,116)
School administration	36,083	34,501	1,582
Operations and maintenance	23,250	26,072	(2,822)
Student transportation services	23,619	30,228	(6,609)
Central support services			0
Other support services	8,284	7,527	757
Food service operations	12,323	15,133	(2,810)
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>364,093</u>	<u>\$ 392,057</u>	<u>\$ (27,964)</u>
Total Expenditures	<u>364,093</u>	<u>\$ 392,057</u>	<u>\$ (27,964)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	0		
	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

The notes to financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
 AT RISK FUND (K-12) FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>518,575</u>	<u>518,898</u>	<u>(323)</u>
Total Cash Receipts	<u>518,575</u>	<u>518,898</u>	<u>(323)</u>
EXPENDITURES			
Instruction	501,314	495,832	5,482
Student support services	17,261	23,066	(5,805)
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>518,575</u>	<u>\$ 518,898</u>	<u>\$ (323)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

The notes to financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
 AT-RISK (4 YEAR OLD) FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>23,028</u>	<u>34,542</u>	<u>(11,514)</u>
Total Cash Receipts	<u>23,028</u>	<u>34,542</u>	<u>(11,514)</u>
EXPENDITURES			
Instruction	23,028	34,320	(11,292)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services		222	(222)
Community support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>23,028</u>	<u>\$ 34,542</u>	<u>\$ (11,514)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
 BOND AND INTEREST FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service		88,810	(88,810)
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>0</u>	<u>88,810</u>	<u>(88,810)</u>
Total Expenditures	<u>0</u>	<u>\$ 88,810</u>	<u>\$ (88,810)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	88,810		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 88,810</u>		

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
NONBUDGETED FUNDS
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Textbook Rental</u>	<u>Contingency Reserve</u>	<u>Title I</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants			110,109
State aid/grants			
Charges for services	43,799		
Interest income			
Miscellaneous revenues	1,299		
Operating transfers			
	<u> </u>	<u> </u>	<u> </u>
Total Cash Receipts	<u>45,098</u>	<u>0</u>	<u>110,109</u>
EXPENDITURES			
Instruction	83,018		106,142
Student support services			
Instruction support staff			
General administration			
School administration			1,470
Operations and maintenance			
Student transportation services			1,513
Central support services			
Other support services			
Food service operations			984
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>83,018</u>	<u>0</u>	<u>110,109</u>
Receipts Over (Under) Expenditures	(37,920)	0	0
Unencumbered Cash, Beginning	80,601	478,693	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 42,681</u>	<u>\$ 478,693</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
 NONBUDGETED FUNDS
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Small Rural School Achievement</u>	<u>A. J. Rice Memorial</u>	<u>Title IIA</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants	26,303		29,125
State aid/grants			
Charges for services			
Interest income		81	
Miscellaneous revenues			
Operating transfers			
	<u>26,303</u>	<u>81</u>	<u>29,125</u>
EXPENDITURES			
Instruction	26,303	81	29,125
Student support services			
Instruction support staff			
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>26,303</u>	<u>81</u>	<u>29,125</u>
Receipts Over (Under) Expenditures	0	0	0
Unencumbered Cash, Beginning	0	0	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
 NONBUDGETED FUNDS
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Character Education Grant</u>	<u>Serve America School Based</u>
CASH RECEIPTS		
Taxes and Shared Revenue		
Ad valorem property tax	\$	\$
Delinquent tax		
Motor vehicle tax		
RV tax		
Mineral production tax		
Federal grants		
State aid/grants		
Charges for services		
Interest income		
Miscellaneous revenues		
Operating transfers		
	<u> </u>	<u> </u>
Total Cash Receipts	<u> 0 </u>	<u> 0 </u>
EXPENDITURES		
Instruction	6	
Student support services		
Instruction support staff		
General administration		
School administration		
Operations and maintenance		
Student transportation services		
Central support services		
Other support services		
Food service operations		
Student activities		
Facility acquisition and construction services		
Debt service		
Operating transfers		
Adjustment for qualifying budget credits		
	<u> </u>	<u> </u>
Total Expenditures	<u> 6 </u>	<u> 0 </u>
Receipts Over (Under) Expenditures	(6)	0
Unencumbered Cash, Beginning	2,652	531
Prior Year Cancelled Encumbrances	<u> 0 </u>	<u> 0 </u>
Unencumbered Cash, Ending	<u> \$ 2,646 </u>	<u> \$ 531 </u>

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
 AGENCY FUNDS
 Summary of Receipts and Disbursements
 For the Year Ended June 30, 2014

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Scholarships	\$ 0	\$ -	\$ -	\$ 0
Payroll Liabilities	52,769	988,954	988,028	53,695
High School				
Forensics	1,296	1,588	1,246	1,638
Drama	4,211	0	4,211	0
Soundmasters	7,060	17,413	16,218	8,255
Band - HS	0	602	215	387
Cheerleaders - HS	2,048	10,512	10,499	2,061
Cheerleaders - JH	916	1,467	956	1,427
Drill Team	716	1,238	1,140	814
Stuco - HS	1,721	5,375	5,903	1,193
Stuco - JH	1,454	1,101	1,199	1,356
FOR	106	413	132	387
Keys	447	208	171	484
FFA	9,203	21,600	22,459	8,344
National Art Honor Society	154	0	144	10
National Honor Society	25	1,839	1,821	43
Science Club	378	879	209	1,048
Math Club	199	845	964	80
Young Adult Library Board	940		709	231
Scholar Bowl	592	552	460	684
Seniors	0	3,197	3,197	0
Juniors	3,107	4,278	4,563	2,822
Total	\$ <u>87,342</u>	\$ <u>1,062,061</u>	\$ <u>1,064,444</u>	\$ <u>84,959</u>

The notes to the financial statements are an integral part of this statement.

USD #377 EFFINGHAM, KS
DISTRICT ACTIVITY FUNDS
Schedule of Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
Middle school							
Gate receipts	\$ 0	\$	\$		0	\$	-
High School							
Athletics-HS	0		3,551	3,051	500		500
Athletics-JH	0				0		-
Football	2,558		3,406	2,011	3,953		3,953
Basketball-HS Girls	488		11,091	11,170	409		409
Basketball-HS Boys	0		870	860	10		10
Baseball	0		2,799	2,133	666		666
Softball	0		4,670	4,670	0		-
Wrestlers	3,707		2,434	3,311	2,830		2,830
Subtotal Gate Receipts	6,753	0	28,821	27,206	8,368	0	8,368
School Projects							
Intermediate and Elementary School							
Activity accounts	9,917				9,917		9,917
Accelerated reader	2,796				2,796		2,796
Book fair	3,962		2,659	2,659	3,962		3,962
Lost books	184		20	22	182		182
Rachel's challenge	40				40		40
Sports - Sloop	7				7		7
Cook's account	1,314		487	705	1,096		1,096
High School							
Activities	2,603		45,592	46,398	1,797		1,797
Recycling project	26				26		26
Activity fundraiser	0		62	30	32		32
Pepsi	0		1,496	1,354	142		142
Yearbook - HS	2,087		9,827	11,081	833		833
Library book replacement	380		192	201	371		371
Interest	170		69	193	46		46
Subtotal School Projects	23,486	0	60,404	62,643	21,247	0	21,247
Total District Activity Funds	<u>\$ 30,239</u>	<u>\$ 0</u>	<u>\$ 89,225</u>	<u>\$ 89,849</u>	<u>\$ 29,615</u>	<u>\$ 0</u>	<u>\$ 29,615</u>

The notes to the financial statements are an integral part of this statement.

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Karlin & Long, LLC
Certified Public Accountants

Board of Education
Unified School District No. 377
Effingham, Kansas 66023

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL COMPLIANCE REPORTING AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of Unified School District No. 377 as of and for the year ended June 30, 2014, and have issued our report thereon dated October 1, 2014. In our report, our opinion was qualified due to the use of and other comprehensive basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Unified School District No. 377's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District No. 377's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Board of Education
Unified School District No. 377

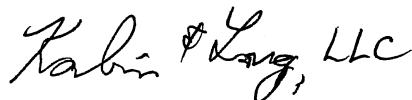
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 377's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Purpose of this Report

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Karlin & Long, LLC
Certified Public Accountants

October 1, 2014